November 14, 2016

<u>Ex Parte</u>

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

> Re: *Business Data Services in an Internet Protocol Environment*, WC Docket No. 16-143;
> *Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff
> Pricing Plans*, WC Docket No. 15-247; *Special Access for Price Cap Local Exchange
> Carriers*, WC Docket No. 05-25; *AT&T Corporation Petition for Rulemaking to Reform
> Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access
> Service*, RM-10593.

Dear Ms. Dortch,

On November 9, 2016, Charles McKee of Sprint Corporation and I met with Stephanie
Weiner and Lisa Hone, Legal Advisors for Chairman Wheeler, and Matthew DelNero, Chief of the
Wireline Competition Bureau. We discussed Sprint's November 9, 2016 *ex parte* letter.
Specifically, we discussed the letter's discussion of transport rate elements on pages 2-5. We also
discussed the following: (1) the record supports a reduction to TDM price caps of at least 11% over a
two-year period to account for the gap in productivity accounting and an X-factor of at least 3%
annually; (2) the Commission should phase in the 11% one-time adjustment over two years, with
additional time for small incumbent LECs as described in the joint *ex parte* letter of Frontier, Sprint,
and Windstream dated October 3, 2016; and (3) the *Further Notice* should reflect the lack of
competition for Ethernet services in the majority of the country, even for higher-capacity services.

Furthermore, I spoke via telephone with Travis Litman, Legal Advisor for Commissioner
Rosenworcel, on November 10, 2016. We discussed Sprint's November 9, 2016 *ex parte* letter.
Specifically, we discussed this letter's discussion of transport rate elements on pages 2-5.

Pursuant to the FCC's rules, I have filed a copy of this notice electronically in the above-
referenced proceeding. If you require any additional information, please contact the undersigned.

Sincerely,

Paul Margie
Counsel to Sprint

cc: Meeting participants